

November 2010

## Superintendent to Present New School Closure Plan

*Recommendations to come after detailing budget gap and cost cutting options*

On Thursday, December 2, Superintendent Johnson will present a new *Redesign and Reinvest* plan for school closings and consolidations to the School Committee at its meeting at English High School. This revised plan was developed after the original proposal was felt to be too limited in scope and not presented in the context of the \$63M budget gap facing the School Department in FY12. In early November, the Research Bureau wrote a [letter](#) to the School Committee and Superintendent that stated that the net savings from school closings were inadequate to protect greater cuts at the school level and that the proposal should be tied to a comprehensive multi-year budget plan.

At the November 17 School Committee meeting, the Superintendent and Chief Financial Officer laid out the budget challenges facing the School Department in FY12 and the options available to address the budget gap. The point was made clear that savings would come from five major areas:

1. Reducing excess building capacity
2. Compensation and collective bargaining reform
3. Transportation and student assignment
4. Redesign of academic services for students with differentiated needs
5. Central office

If adequate savings are not achieved in the operational areas of facilities and transportation, greater savings will have to be made at the central and school levels. Empty classroom seats in the district were estimated at 5,600 at a cost of \$25.2M. The School Committee will vote on the Superintendent's plan on December 15.

The School Department's FY12 \$63 million budget gap is attributable to expiring ARRA stimulus funds, contract increases in employee spending, previously deferred maintenance costs, and increased transportation costs. This shortfall is reduced to \$52.8 million when \$10.2 million in federal Education Jobs Fund dollars are applied. The original version of the Superintendent's *Redesign and Reinvest* proposal included closing 6 schools at a net savings of \$5 to \$6 million in FY12, which would leave a budget shortfall of \$47 million.

### BPS Cost Increase FY12

\$ in millions

ARRA Stimulus Loss	\$21.4
Step Increases	10.7
One-Time FY11 Savings	10.1
Benefits	9.3
Other	8.9
Transportation	2.6
<b>Total</b>	<b>\$63.0</b>
Less: Fed. Ed. Jobs Funds	(\$10.2)
<b>Net FY12 Budget Gap</b>	<b>\$52.8</b>

The operational budget problems facing the School Department will not be solved by the federal Race to the Top funds of \$31M over four years or the School Improvement Grants of \$22M over three years since both are targeted to the 10 Turnaround Schools and other school reform initiatives.

The Mayor has not yet set a target number for the FY12 School Department budget so the shortfall assumes level-funding from this year.